



March 20, 2012

Good Morning (Afternoon), "Chair Fonfara, Chair Nardello, Members of the Committee on Energy and Technology. My name is Nicholas Scata, and I come here today from Plainville, representing Tower Energy and Plainville Oil Company. We employ fourteen individuals and serve close to 4,000 customers in Central Connecticut. Our companies have been in business in Connecticut for over twelve years. We live here, support the communities we serve, we pay taxes and create and maintain jobs here. I come here today in opposition to SB 450.

As a locally owned energy company that distributes heating oil & propane and provides HVAC services to our customers it baffles me why the representatives we elect continue to propose legislation that limits the choices of the consumers they represent. The proposed bill seeks to encourage the use of natural gas over other fossil fuels for heating and transportation in the guise of conservation.

Our commitment as an industry in promoting and encouraging energy conservation through enhancing energy efficiency has been in place for more than 40 years and remains in place to this day. We commit to working with you to further those efforts in every way we can;

Prior to the onset of the financial crisis in 2008, our industry was upgrading and replacing old, outdated and inefficient heating systems at a record rate. Between our loan programs and government tax incentives, our customers understood the benefits of the energy conservation measures we heavily promoted and consumers took good advantage of them; We understand that our customers want to reduce their energy costs, we hear it every day.

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The efficiency of the equipment we recommend to our customers has reduced energy usage by over 40%. The average home which would consume 1200 gallons of heating oil per year in the past now only consumes approximately 700 gallons. That's right less fuel.

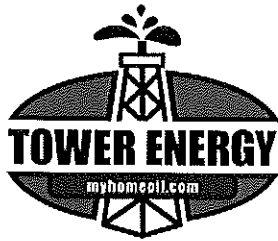
The oil heat industry did not need a mandate or publicly funded study to respond to what the consumers we serve demanded, and that was to save on the cost of heating their homes.

I know your job as elected officials is to try to reduce the cost of running our state and that the lure of cheap natural gas is tempting. Did you know that for 17 out of the last 20 years heating oil has been less expensive than natural gas and at no time, no time during that period, did the heating oil industry ever come to Hartford for a law compelling everyone to switch to heating oil. We find it deeply offensive that anyone would suggest that government should be making energy use decisions for consumers or even suggesting them. The multinational, multi-state natural gas monopoly has sufficient resources at its disposal to communicate with consumers without the government becoming its sales agent. We oppose Sec 4 of the bill, regardless of how limited it may be or become. What happens when you convert all our state buildings to natural gas and the cost of that fuel goes up, what then?

In addition, in section one of the bill, you propose to use the funds generated by the fuel oil industry to pay for this measure. So if I understand this correctly, you are going to take taxes that the we as an industry generate, fund a study that may put our industry at an economic disadvantage and eventually could cost the jobs of thousands of Connecticut residents we employ. In a time when you should be encouraging job creation this bill if passed will add to the unemployed. What is the cost of the thousands of heating oil technicians and fuel oil delivery personell that would lose their jobs is this bill becomes law.

This proposed bill will affect the 600 independently owned and operated, family owned and operated heating oil businesses, who employ more than 13,000 people in this state. We are not guaranteed a rate of return. We engage in intense competition for the privilege of serving more than 650,000 of our fellow citizens.

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We live and work in the communities in which we serve. We create and maintain jobs here, pay our taxes here, contribute to our communities and our state, and live here. Our corporate headquarters are not in New York, Spain or California. They are in the communities we elect you to represent. We have been an integral part of the energy mix in our state for over 100 years and unless you hand all our businesses and customers to a utility we will proudly serve our customers and reduce their energy needs for another 100 years.

Thank you for your time.

Respectfully submitted,

Nicholas S. Scata  
Tower Energy/Fairville Oil Company

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